



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 27, 2001

Re: Permit Fees for 2001-2002 Fiscal Year, Minerals Regulatory Program

Dear Permittee:

We are now entering our fourth year of annual permit fee assessment as authorized by the Utah State Legislature. The fees provide funding to administer the mineral regulatory program. Revenues are used to process and maintain exploration and mining permit applications and for inspection of those sites. The minerals rules require the payment of an annual permit fee for all active exploration and mining permits. The annual fees are due by the last Friday of July for each year that a permit remains active (*a permit is active until the site is fully reclaimed and subsequently released by the Division*).

If the site is fully reclaimed and you no longer wish to keep your permit active, you may check the box on the form requesting a site inspection. This will suspend your fee payment until the Division can schedule an inspection to determine if the reclamation meets the required revegetation performance standard. If we find that reclamation and revegetation is complete, then the site can be released, the permit/file is closed and no fee will be required. However, if reclamation does not meet the required performance standards, then the assessed payment(s) will be due and payable within 30 days of our site inspection.

As a result of performing follow up inspection requests, we have found numerous instances where the reclamation was incomplete and the site could not be released.

Note: *Before you check the box requesting an inspection and file closure, please make certain that your site is fully reclaimed, that all mining related waste, trash and debris have been removed, and that the vegetation is well established.*

To date, some operations have been turned over to the Utah Office of Debt Collection (ODC) for failure to pay delinquent fees. These operations will still receive a billing notice from this office for this fiscal year. Please pay the current year billing directly to this office. Any outstanding delinquent fees must be paid directly to the ODC.

Please refer to the attached instructions for the payment of fees.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

Instructions for Payment of Fees

1. Collection of Permit Fees

The Utah Legislature authorized the collection of permit fees in the Minerals Program to begin July 1, 1998. The purpose of fee collection is to provide supplemental funding for additional program assistance in processing and maintaining mining and exploration permit applications and inspection of those sites.

Please note: Some companies/operators may be receiving more than one billing form. It is important to return each one of those forms to ensure proper credit.

2. Fees Are Assessed as Follows:

<u>Notices of Intent</u>	<u>Annual Fee</u>
Exploration Operations	\$100.00
Small Mining Operations (5 or less disturbed acres)	\$100.00
Large Mining Operations (less than 50 disturbed acres*)	\$350.00
Large Mining Operations (more than 50 disturbed acres*)	\$750.00

(*For Large Mining Operations, the fees are based on the disturbed acreage permitted/bonded.)

3. Fees Due Date

Fees are due by the last Friday in July, for all permitted operations or applications presently under Division review. Fees will also be due upon submission of a new permit application or a permit amendment/revision which increases the acreage to a new fee category.

4. Failure to Pay

Failure to pay the permit fee will result in cancellation of a permit to mine or explore (*site reclamation is still required by the operator*).

New permit applications will not be processed if the fee is not enclosed with the application.

5. Opportunity to Close Out a Permit

Permittees have the opportunity to close out a permit and not pay the fee. To be eligible to close out a permit, you must return the enclosed billing form with the appropriate box checked. You will then be contacted by the Division to arrange for an onsite inspection. The area must be fully reclaimed and in a stable condition to be eligible for closing out a permit. ***If the area is suitably reclaimed, then NO FEE WILL BE DUE.*** If the area is not yet suitably reclaimed, then a new billing notice will be issued and the permittee will be given 30 days from the date of the onsite inspection to pay the fee.

6. Delinquent Fees

All permit fees which remain uncollected 30 days after the due date will be turned over to the Utah Office of Debt Collection (ODC). Additional penalties, interest and collection fees will be assessed by the ODC.

7. Change of Address

Please note any address changes on the return form.

8. Questions or Comments

Please contact me at (801) 538-5286 or Joelle Burns at (801) 538-5291.



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LEXCO INC
582 N VERNAL AVE
PO BOX 1198
VERNAL UT 84078

ATTENTION: JAMES M LEKAS

ANNUAL PERMIT FEE

Annual Permit Fees (July 2001 thru June 2002)

PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
COTTONWOOD MINE	S470064	NA	06/30/2000
PERMIT TYPE	PROJECT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE	\$ 100	

DUE DATE	AMOUNT DUE
07/27/2001	\$ 100

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing information call (801) 538-5291

This portion **MUST** be returned with your payment to ensure proper credit. **THANK YOU**

ACCOUNT BILLED	PROJECT NAME	PROJECT ID
LEXCO INC	COTTONWOOD MINE	S470064
DUE DATE	ANNUAL FEE	AMOUNT DUE
07/27/2001	\$ 100	\$ 100
TAX ID OR SOCIAL SECURITY #		
<input type="checkbox"/> FEE NOT ENCLOSED		
Permittee requests an inspection to close out this permit.		
Change of Address		
Contact		
Address		
State Zip		
Phone		

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

Please make check payable to:
Division of Oil, Gas and Mining